FY10 Department Overview

Finance

Mission

To provide leading practice financial management services and leadership to achieve City of Atlanta goals and objectives.

The Department of Finance serves as a strategic business partner to:

- Promote actions to achieve the City's priorities
- •Provide excellent service to internal and external customers.
- Establish and maintain sound fiscal policies.
- •Deliver a clear and accurate picture of the City's current and future financial position.
- •Improve the effectiveness, efficiency, and integration of the City's business processes.
- Proactively report on, analyze, and recommend actions for improvement.



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Summary of Operations

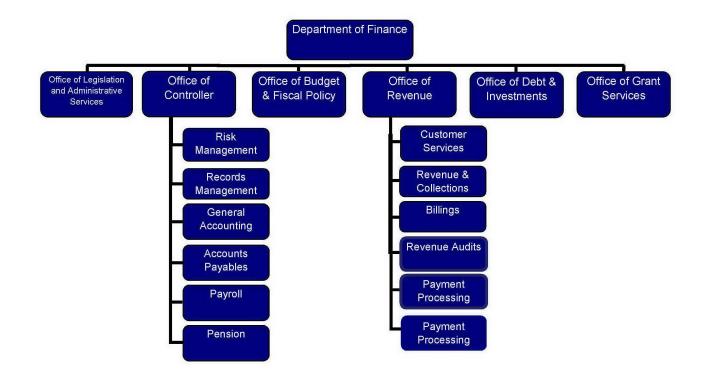
The Department of Finance manages and accounts for the City's financial resources. This department prepares and monitors the annual budget, invests city funds to protect assets, maintains fiscal liquidity and maximizes income in compliance with all governing financial and accounting laws.

In addition, the Department of Finance provides legislative support to the Finance/Executive Committee of the Mayor's Office, City Council, and Department's.

- The Office of the Administrative & Legislative Services manages functions
 associated with legislation/research coordination, open records request, human
 resource administration, staff recruitment and training, procurement, space
 management, customer service coordination, background investigations, internal
 investigations, records management, and media/community relations.
- The Office of Budget & Fiscal Policy provides City government centralized budget and financial analysis. The Office provides independent analysis and evaluation of resource allocation issues, operational issues, and produces financial and operational data for both internal and external use. The Office also provides financial planning and analysis, economic analysis, enterprise fund budgeting, and cash forecasting.
- The Office of the Controller directs policy and management for all of the City's
 accounting operations and has responsibility for developing and publishing
 accurate financial statements and has oversight of the Comprehensive Annual
 Financial Report (CAFR). This office is charged with the responsibility of
 managing the coordination of external audits and the development of financial
 policies and procedures, manages Accounting Services including Accounts
 Payable, General Accounting, Payroll, Pension Administration, Grant Accounting,

- and Records Management for City departments. The Controller's Office also has oversight to manage operations in Risk Management & Financial Information Systems.
- The Office of Debt and Investments is responsible for the management of the City of Atlanta's debt and cash resources. Debt Management oversees the City's long-term and short-term debt portfolio providing centralized management to ensure accountability, control and judicious application of the public resources. The team services the General Obligation, Airport, Water & Wastewater and conduit debt of the City. Cash and Investment Management is responsible for cash management and the investment of the City's cash portfolio. Our policy is to invest public funds in a manner that will provide maximum security and commensurate return while meeting the daily cash flow demands of the City.
- The Office of Grant Services manages money allocated to the City of Atlanta from the U.S. Department of Housing and Urban Development (HUD). These funds are Community Development Block Grants (CDBG), Emergency Shelter Grants (ESG), Home Investment Partnership Program (HOME) and Housing Opportunities for Persons with AIDS (HOPWA). It also manages grants from state government, foundations, and private entities. Grant Services is the fiscal agent for all grant funds received by the City of Atlanta. The unit's overall fiscal administrative responsibility is to use fiscal controls and fund accounting procedures to ensure the proper disbursement of and accounting for federal and state funds.
- The Office of Revenue administers billing and collection, business licensing, revenue assurance and auditing, accounts receivable management, lien recordings, payment processing and online payment services. The billing and self-reported collection accounts include general business license, hotel/motel tax, car rental tax, alcohol tax, franchise fees, building and land rental leases, professional tax accounts and compliance with the City Code of Ordinances. Revenue audits are performed to ensure that businesses are accurately reporting all revenues due to the City. The accounts receivable team conducts ongoing review and analysis of major aged accounts and ultimately enforcement actions including the placement of liens to satisfy outstanding debts. The payment processing activities includes ensuring daily bank deposits, accounting and posting of City receipts to the general ledger and the management of online payment programs.

Organizational Chart



ATL Stats Performance Metrics for Finance

| Performance Measure | 2008 Actual | 2009 Target | 2010 Target |
|--|-------------|-------------|--------------|
| Revenue Collection Rate for Business Licenses | 93% | 95% | 95% |
| Revenue Collection Rate for Property Tax | 95% | 95% | 95% |
| Revenue Collection Rate for Solid Waste | 90% | 90% | 90% |
| Financial Close Cycle Time (from month end) | N/A | N/A | 10 Work Days |
| Number of Certified Financial Reports | N/A | N/A | 7 |
| Forecasting Cycle Time (from end of quarter close) | N/A | N/A | 20 Work Days |
| Average AP Invoice Days Payable | N/A | N/A | 40 |

^{*} Note, the Department of Finance did not participate in ATL Stat in 2009 and prior.

FY09 Accomplishments:

- Established and launched an updated Finance Department vision and mission and revised internal operating procedures. The core values focus on results, accountability, and customer service.
- Conducted review of Finance processes with Deloitte Consulting to provide findings and recommendations for improvement of the Department's operations.
- Developed a transformation roadmap for Finance that guides and establishes timing for the department's improvements.
- Performed initial improvements on the annual budget process.
- Established initial cross-departmental performance measures.
- Created initial revenue and cost forecasting processes for quarterly reporting.
- Maintained investment grade bond rating for all Funds. Collected delinquent revenue collections of \$3,670,926 (FY09 year to date). \$2,927,943 billed and \$1,761,341 collected by audit group (FY09 year to date).
- 440 new businesses discovered/detected and licensed.
- 55,470 customers contacted and responded to by revenue customer service.
- Placed 99 water liens on delinquent customers.
- Budgeted, managed compliance, and conducted accounting for \$92 million in grants to the City of Atlanta.

FY10 Proposed Program Highlights

- Established a monthly close process to provide an ongoing picture of the City's financial position.
- Improve the financial reporting of the City by taking action on key report gaps. Use reporting to improve fiscal discipline across the City.
- Conduct further improvements on the budgeting and forecasting processes.
- Define capital, trust, and grant budget processes, timelines, and tools.
- Begin the creation of a single point of contact to handle customer requests and issue resolution.
- Work with the Department of Information Technology and other City departments to streamline Oracle processes and reduce manual work/exceptions.
- Document core business processes
- Measure Finance customer satisfaction externally and internally.
- Improve Finance office coordination and integration to help customers.
- Implement automated business license renewal process.
- Recover \$2 million via revenue audits.
- Improve Grant Accounting's draw down process through updated policies and procedures. Reconcile draw downs to expenditures, and to HUD's IDIS system on a monthly basis



FY10 Budget Highlights Department of Finance

| Department Summary | FY08 Actual | FY09 Budget | FY10 Budget | Va | riance (FY09 to FY10) |
|--------------------|------------------|------------------|------------------|----|-----------------------|
| Personnel | \$ 11,765,401 | \$ 10,031,709 | \$ 9,524,132 | \$ | (507,577) |
| Operating | \$ 3,713,762 | \$ 1,274,910 | \$ 2,005,532 | \$ | 730,622 |
| Total Budget | \$ 15,479,163 | \$ 11,306,619 | \$ 11,529,664 | \$ | 223,045 |

Section 1.a

| Personnel Cost Highlights | FY08 Actual | FY09 Budget | FY10 Budget | Va | riance (FY09 to FY10) |
|--------------------------------|------------------|------------------|-----------------|----|-----------------------|
| Salary - Full Time | \$ 8,314,787 | \$ 7,033,877 | \$ 6,914,691 | \$ | (119,186) |
| Salary - Part-Time & Temporary | \$ 131,869 | \$ ж | \$ 260,550 | \$ | 260,550 |
| Overtime | \$ 213,841 | \$ 25,000 | \$ 25,000 | \$ | 9 |
| Health Benefits | \$ 991,998 | \$ 902,129 | \$ 921,671 | \$ | 19,542 |
| Pension | \$ 2,095,862 | \$ 2,070,703 | \$ 1,402,220 | \$ | (668,483) |
| Other Personnel | \$ 17,043 | \$ - | \$ - | \$ | - |
| Total Personnel | \$ 11,765,401 | \$ 10,031,709 | \$ 9,524,132 | \$ | (507,577) |

Section 1.b

| Section 1.b | | | | | |
|-------------------------------|-----------------|-----------------|-----------------|-----|----------------------|
| Operating Cost Highlights | FY08 Actual | FY09 Budget | FY10 Budget | Var | iance (FY09 to FY10) |
| Consulting & Contracted Serv. | \$ 1,068,641 | \$ 750,676 | \$ 1,547,120 | \$ | 796,444 |
| Repair & Maintenance | \$ 131,840 | \$ 150,271 | \$ 24,780 | \$ | (125,491) |
| Communications | \$ 114,952 | \$ 22,475 | \$ 84,002 | \$ | 61,527 |
| Professional Development | \$ 59,514 | \$ 88,400 | \$ 60,700 | \$ | (27,700) |
| Supplies | \$ 163,043 | \$ 120,360 | \$ 163,872 | \$ | 43,512 |
| Utilities, Energy | \$ - | \$ - | \$ 9 | \$ | 8 |
| Small Equipment (< \$5,000) | \$ 14,709 | \$ E | \$ 28,371 | \$ | 28,371 |
| Capital (≥ \$5,000) | \$ 29,428 | \$ 56,850 | \$ 28,350 | \$ | (28,500) |
| Motor Equipment | \$ 1,899 | \$ 1,169 | \$ 1,100 | \$ | (69) |
| Debt Service | \$ - | \$ H | \$ н | \$ | F |
| All Other Line Items | \$ 2,129,735 | \$ 84,709 | \$ 67,237 | \$ | (17,472) |
| Total Operating | \$ 3,713,762 | \$ 1,274,910 | \$ 2,005,532 | \$ | 730,622 |



FY10 Budget Highlights Department of Finance

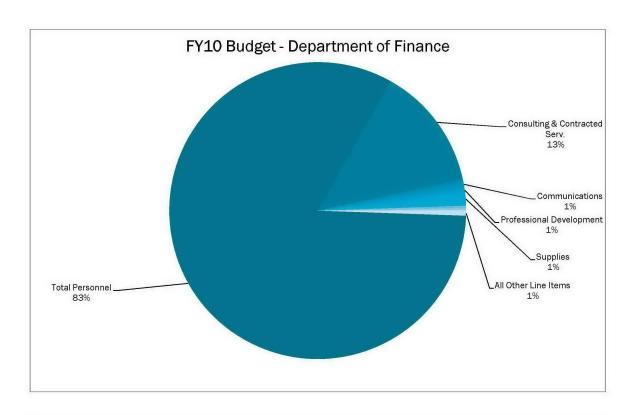
| Authorized Position Count | FY09 | FY10 | Change |
|---------------------------|------|------|--------|
| Full-Time | 125 | 120 | -5 |
| Sworn | 0 | 0 | 0 |
| Civilian | 0 | 0 | 0 |
| Total | 125 | 120 | -5 |

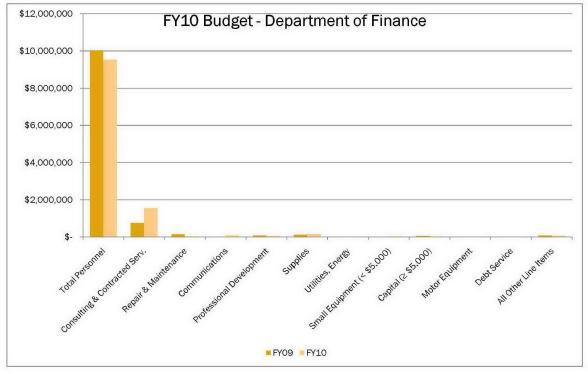
Section 2.a

| Personnel Cost Highlights | Variance (FY09 to FY10) | Explanation |
|---------------------------|-------------------------|---|
| Salary - Full Time | \$ (119,186) | Decrease in cost due to annualizing FY09 position reductions |
| Salary Part-Time | \$ 260,550 | Increase due to staff needed for account reconciliations and closings |
| Overtime | \$ - | |
| Health Benefits | \$ 19,542 | Increase due to cost of health benefits rising |
| Pension | \$ (668,483) | Decrease in cost due to annualizing FY09 position reductions |
| Other Personnel | \$ - | |
| Total Personnel | \$ (507,577) | |

Section 2.b

| Section 2.b | | |
|-------------------------------|-------------------------|--|
| Operating Cost Highlights | Variance (FY09 to FY10) | Explanation |
| Consulting & Contracted Serv. | \$ 796,444 | Increase due to Finance Transformation funding and records management contract |
| Repair & Maintenance | \$ (125,491) | Change due to normal operation variances |
| Communications | \$ 61,527 | Increase due to additional costs of wireless services |
| Professional Development | \$ (27,700) | Change due to normal operation variances |
| Supplies | \$ 43,512 | Change due to normal operation variances |
| Utilities, Energy | \$ - | |
| Small Equipment (< \$5,000) | \$ 28,371 | Change due to normal operation variances |
| Capital (≥ \$5,000) | \$ (28,500) | Change due to normal operation variances |
| Motor Equipment | \$ (69) | Change due to normal operation variances |
| Debt Service | \$ - | |
| All Other Line Items | \$ (17,472) | Change due to normal operation variances |
| Total Operating | \$ 730,622 | |





FY10 BUDGET SUMMARY BY DEPARTMENTAL OFFICE

FUND 1001 DEPARTMENT DEPARTMENT OF FINANCE OFFICE NAME Office of Budget & Fiscal Finance Administration ACCOUNT GROUP ACCOUNT NAME Policy 5111001 SALARIES, REGULAR 1.048.382 835.504 Personnel 5112001 SALARIES, EXTRA HELP 0 0 5113001 OVERTIME 0 0 5121001 GP LIFE INS CONT-EMP 629 501 5121003 GP HEALTH INS CONT-EMP 94,864 74,536 5123001 MEDICARE CONTRIBUTION 15 202 12 115 5124101 PEN CONT GEN EMP PEN FD 256,328 37,899 5124102 DEFINED CONTRIBUTION 14.417 42 962 ,429,822 1,003,517 Personnel Total Purchased Services 5212001 CONSULTING / PROFESSIONAL SERVICES 705.004 45.000 5213001 CONSULTING / PROFESSIONAL SERVICES (Tech) 0 0 5213003 REPORTING DOCUMENT EXPENSE 0 0 0 5222002 REPAIR & MAINTENANCE-EQUIPMENT 4.500 5223202 OPERATING LEASE/RENTAL-EQUIPMENT 15,576 8,500 5232001 TELEPHONE EXPENSE 0 0 5232002 POSTAGE EXPENSE 1,500 500 5232003 WIRELESS TELEPHONE EXPENSE 4.081 7,663 5233001 ADVERTISING 4,900 7,000 5234001 PRINTING AND BINDING 0 0 1,500 5235001 BUSINESS TRAVEL / PER DIEM 0 5235002 AUTO ALLOWANCE 0 0 5235003 TRAINING TRAVEL / PER DIEM 0 0 5236001 MEMBERSHIPS 3,300 1,000 5237001 EDUCATION AND TRAINING 0 0 5237002 TRAINING / REGISTRATION 6,000 5,000 Purchased Services Total 746,361 74,663 Supplies 5311001 SUPPLIES, CONSUMABLE 47.000 5,000 5311002 SUPPLIES, NON-CONSUMABLE 1,200 2,500 5316001 EQUIPMENT (\$1,000-4,999) 2.000 0 5316002 EQUIPMENT (\$0-999) 0 0 5316005 COMPUTERS (\$1,000-4,999) 0 0 5316009 OTHER EQUIPMENT (\$1,000-4,999) 2,004 0 5316013 SOFTWARE (\$0-999) 0 0 5317001 UNIFORMS 0 0 5317005 MEDIA, PUBLISHED/ELECTRONIC 0 1,000 Supplies Total 52,204 8,500 Capital Outlays 5424004 SOFTWARE(\$5,000+) 0 0 Capital Outlays Total 0 0 Interfund Charges 5510001 MOTOR EQUIP, FUEL 0 5510002 MOTOR EQUIP, PM/REPAIRS 0 0 0 Interfund Charges Total 0 2,004 Other Costs 5790003 CONTINGENCY FD-COMMISSIONER 0 Other Costs Total 2,004 0 Lease Expenses 5812005 LEASE/PURCHASE-EQUIPMENT 0 0 Lease Expenses Total 0 0 **Grand Total** 2,230,391 1,086,680

| ce of Revenue & Collections | Office of the Controller | Office of the Treasurer | Grand Total | |
|--------------------------------|--------------------------|-------------------------|-------------|--|
| 1,573,927 | 3,055,753 | 401,125 | 6,914,691 | |
| 0 | 260,550 | 0 | 260,550 | |
| 25,000 | 0 | 0 | 25,000 | |
| 944 | 1,833 | 240 | 4,147 | |
| 223,608 | 379,456 | 40,656 | 813,120 | |
| 23,185 | 48,086 | 5,816 | 104,404 | |
| 339,683 | 554,301 | 29,455 | 1,217,666 | |
| 30,184 | 78,495 | 18,496 | 184,554 | |
| 2,216,531 | 4,378,474 | 495,788 | 9,524,132 | |
| 0 | 772,750 | 14,246 | 1,537,000 | |
| 10,120 | 0 | 0 | 10,120 | |
| 0 | 0 | 500 | 500 | |
| 15,300 | 4,980 | 0 | 24,780 | |
| 4,815 | 13,500 | 5,000 | 47,391 | |
| 14,400 | 0 | 0 | 14,400 | |
| 0 | 630 | 1,000 | 3,630 | |
| 0 | 11,028 | 0 | 22,772 | |
| 0 | 0 | 1,000 | 12,900 | |
| 18,000 | 11,800 | 500 | 30,300 | |
| 0 | 0 | 3,500 | 5,000 | |
| 16,500 | 200 | 0 | 16,700 | |
| 0 | 3,000 | 2,000 | 5,000 | |
| 2,500 | 7,080 | 500 | 14,380 | |
| 2,000 | 9,500 | 0 | 11,500 | |
| 0 | 10.000 | 1,500 | 22,500 | |
| 83,635 | 844,468 | 29,746 | 1,778,873 | |
| 15,000 | 65,892 | 3,000 | 135,892 | |
| 15,600 | 7,500 | 0 | 26,800 | |
| 0 | 6,599 | 0 | 8,599 | |
| 9,960 | 558 | 0 | 10,518 | |
| 0 | 4,500 | 0 | 4,500 | |
| 0 | 0 | 0 | 2,004 | |
| 0 | 2,750 | 0 | 2,750 | |
| 0 | 180 | 0 | 180 | |
| 0 | 0 | 0 | 1,000 | |
| 40,560 | 87,979 | 3,000 | 192,243 | |
| 0 | 28,350 | 0 | 28,350 | |
| 0 | 28,350 | 0 | 28,350 | |
| 0 | 831 | 0 | 831 | |
| 0 | 269 | 0 | 269 | |
| 0 | 1,100 | 0 | 1,100 | |
| 0 | 0 | 0 | 2,004 | |
| 0 | 0 | 0 | 2,004 | |
| 0 | 2,962 | 0 | 2,962 | |
| 0 | 2,962 | 0 | 2,962 | |
| 2,340,726 | 5,343,333 | 528,534 | 11,529,664 | |
| , , | | | .,, | |